

Members

Rep. Terry Goodin, Chairperson
Rep. Ronald Liggett
Rep. Dan Stevenson
Rep. Ralph Ayres
Rep. Dan Leonard
Rep. Andrew Thomas
Sen. Allen Paul, Vice-Chairperson
Sen. Dennis Kruse
Sen. James Merritt
Sen. Rose Ann Antich-Carr
Sen. Larry Lutz
Sen. Earline Rogers



INTERIM STUDY COMMITTEE ON TRANSPORTATION ISSUES

Legislative Services Agency
200 West Washington Street, Suite 301
Indianapolis, Indiana 46204-2789
Tel: (317) 233-0696 Fax: (317) 232-2554

LSA Staff:

James Sperlik, Fiscal Analyst for the Committee
Andrew Roesener, Attorney for the Committee

Authority: Legislative Council Resolution 04-01

MEETING MINUTES¹

Meeting Date: August 2, 2004
Meeting Time: 4:30 P.M.
Meeting Place: State House, 200 W. Washington
St., 404
Meeting City: Indianapolis, Indiana
Meeting Number: 1

Members Present: Rep. Terry Goodin, Chairperson; Rep. Ronald Liggett; Rep. Dan Stevenson; Rep. Ralph Ayres; Rep. Dan Leonard; Rep. Andrew Thomas; Sen. James Merritt; Sen. Rose Ann Antich-Carr; Sen. Larry Lutz; Sen. Earline Rogers.

Members Absent: Sen. Allen Paul, Vice-Chairperson; Sen. Dennis Kruse.

Call to Order

Representative Terry Goodin called the meeting to order at 4:47 pm.

Public Financing of Regional Transportation Authorities

Senator Earline Rogers explained the purpose of Senate Concurrent Resolution (SCR) 42 (2004). Senator Rogers indicated that House Bill (HB) 1282 (2004) provided partial public financing for the Lake County based regional transportation authority (RTA)

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

by allowing member counties of the RTA to impose a one percent food and beverage tax. Senator Rogers stated that HB 1282 did not pass out of the Senate Finance Committee during the 2004 legislative session and SCR 42 was an effort to further study the issue of public financing of RTAs after the defeat of HB 1282.

Representative John Aguilera (author of HB 1282) provided a map of commuter rail lines in the Chicago and northwest Indiana areas. (Exhibit A). Representative Aguilera expressed support for an increase in the number of commuter rail lines in northwest Indiana. He urged committee members to consider the increase in the number of commuter rail lines as an economic development tool that will expand and develop communities positioned along the new rail lines.

Representative Ron Liggett asked Representative Aguilera about federal funding for a proposed commuter rail expansion. Representative Aguilera indicated some expenses were eligible for eighty percent federal funding and other expenses were eligible for fifty percent federal funding. Kent McDaniel (Executive Director, Indiana Transportation Association, Inc.) explained that capital expenses are generally eligible for eighty percent federal funding and operating expenses are generally eligible for fifty percent federal funding.

Representative Dan Stevenson expressed concern that the focus of the discussion was devoted solely to commuter rail expansion. Representative Stevenson noted that an RTA is a comprehensive transportation authority that is not limited to commuter rail issues. Representative Stevenson expressed additional concern over the restrictions placed on counties in HB 1282. Representative Stevenson explained that counties eligible to impose the food and beverage tax under HB 1282 did not have adequate flexibility for expenditure of the revenue generated by the tax.

Kent McDaniel explained the legal authority to create RTAs has existed for many years but the absence of a funding mechanism has limited the size and effectiveness of RTAs. Mr. McDaniel noted that there are currently two RTAs in Indiana: (1) the Lake County based RTA; and (2) the Marion County based RTA. Mr. McDaniel provided committee members with a map showing the public transit system, if any, in each county in Indiana. (Exhibit B). Mr. McDaniel explained that Indiana has fifty-three different public transit operators. Mr. McDaniel further explained that regional alliances, like an RTA, provide a more efficient method of providing public transportation services.

Economic and Social Impact of Urban Mass Transportation

Representative Dan Stevenson gave an overview of the purpose of HB 1083 (2004). Representative Stevenson explained that HB 1083 was originally limited to a study of the effects of the service interruption and route cancellations at the Indianapolis based IndyGo public transit system. Representative Ed Mahern, the original author of HB 1083, agreed to expand the scope of HB 1083 to include a study of the economic and social impact of decreased levels of urban mass transportation.

Mark Palmer (Sommer Barnard) noted that a high percentage of public bus riders use the public bus as the primary means of commuting to work. Mr. Palmer explained that restrictions on services or cancellation of routes will impair the ability of these persons to maintain their current employment. Mr. Palmer indicated that this type of occurrence could result in deleterious economic effects in the areas in which public bus services are provided.

Mr. Palmer stated that environmental concerns are also a basis for supporting

public transit systems. Mr. Palmer indicated that twenty-six counties in Indiana have air pollution levels persistently exceeding the national ambient air quality standards. Mr. Palmer noted that these counties have been designated as nonattainment areas by the Environmental Protection Agency. Mr. Palmer suggested that increased utilization of public transit systems could improve air quality in these counties.

Gilbert Holmes (President and Chief Executive Officer, IndyGo) noted that air quality, an aging population, and increased fuel costs are all reasons for supporting public transit systems. Mr. Holmes explained that the (Indianapolis/Marion County) City-County Council recently imposed reductions on the budget of IndyGo. Mr. Holmes explained that these budget reductions resulted in the elimination of four IndyGo bus routes. Mr. Holmes estimated a negative fiscal impact of twenty-five million dollars as a result of the route eliminations.

Mr. Holmes explained that IndyGo has a fleet of approximately two hundred buses as compared with nine hundred in Ottawa, Canada and four hundred in Columbus, Ohio.

Representative Ralph Ayres noted that public transportation generally does not pay for itself through rider fares. Mr. Holmes agreed with Representative Ayres' assessment and indicated that public bus systems generally pay for approximately twenty-five percent of expenses through rider fares.

General Discussion

John Livengood (Restaurant & Hospitality Association) expressed opposition to public financing of RTAs through a food and beverage tax. Mr. Livengood suggested funding from a broader based tax such as a sales tax. Mr. Livengood indicated that he had researched public financing of RTAs in other states and could not find a single instance of the use of a food and beverage tax as a method of public financing. Mr. Livengood stated that St. Louis, Missouri utilizes a local sales tax as the funding mechanism for its RTA.

Representative Andrew Thomas expressed concern over the cost of providing adequate security on public transit systems. He indicated his support for an RTA would depend largely on where new commuter rail lines would be located and whether Terre Haute would be considered as a location for a new commuter rail line.

Senator Earline Rogers expressed concern that tax dollars generated in Lake County intended to finance the Lake County based RTA may be moved out of Lake County under future legislative funding proposals.

Senator Rose Ann Antich-Carr suggested that a comparative study of the sustained economic viability of bus versus commuter rail systems be conducted before a method of public financing is determined.

Representative Ralph Ayres noted that counties and municipalities in northwest Indiana are attempting to generate enough local funds to conduct the requisite preliminary studies for expanded commuter rail service. Representative Ayres explained that new commuter rail lines in northwest Indiana would create an expanded conduit to the Chicago area resulting in increased economic benefits flowing to the communities positioned on the new commuter rail lines.

Adjournment

Representative Terry Goodin adjourned the meeting at 5:40 pm. Representative Goodin stated the next committee meeting will take place Thursday, August 5th, at 4:30 pm in Room 404 of the Statehouse.